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Chapter 11

Motivating People

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Learning Objectives

LO 1 Understand principles for setting goals that motivate employees.

LO 2 Give examples of how to reward good performance effectively.

LO 3 Describe the key beliefs that affect people's motivation.

LO 4 Explain how people's individual needs affect their behavior.

LO 5 Define ways to create jobs that motivate.

LO 6 Summarize how people assess and achieve fairness.

LO 7 Identify causes and consequences of employee well-being.

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Introduction

Motivation

Forces that energize, direct, and sustain a person's efforts.

Managers must motivate people to:

- Join the organization.
- Remain in the organization.
- Come to work regularly.
- Perform.
- Exhibit good citizenship.

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Setting Goals

Goal-Setting Theory

- A motivation theory stating that people have conscious goals that energize them and direct their thoughts and behaviors toward a particular end.

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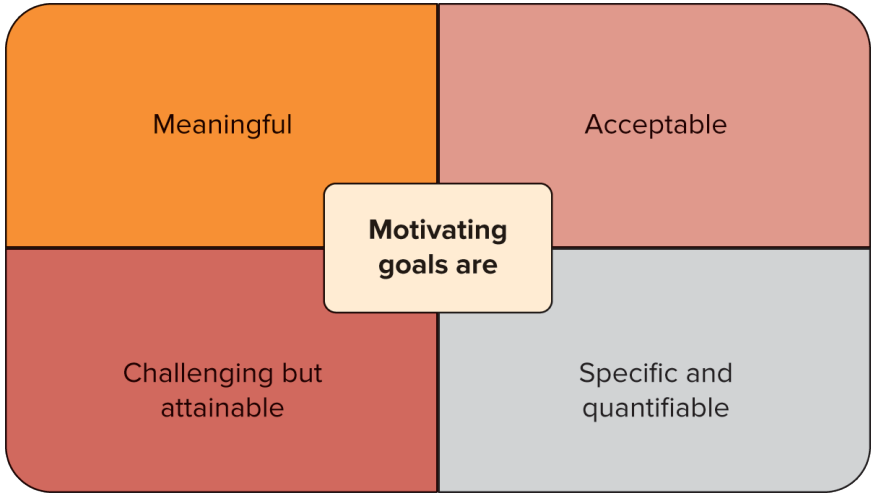
Well-Crafted Goals Are Highly Motivating

Motivational Goals

- The most powerful goals are meaningful; purposes that appeal to people's "higher" values add extra motivating power.
- SMART goals are specific, measurable, achievable, results based, and time-specific.

Exhibit 11.1 Motivational Goals Possess Four Characteristics



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Stretch Goals Help Employees Reach New Heights

Stretch Goals

Targets that are particularly demanding, sometimes even thought to be impossible.

Two types:

- Vertical.
- Horizontal.

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Goal Setting Needs Careful Managing

Goal Setting

A very powerful management technique.

Goals work better under some conditions than others.

- If cooperation is important, performance goals should be established for the team.
- Do *not* establish a single productivity goal if there are other important dimensions of performance.
- Productivity goals will likely enhance productivity but may also cause employees to neglect other areas.

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Set Your Own Goals, Too

A Powerful Tool for Self-Management

Create a statement of purpose for yourself including:

- An inspiring distant vision.
- A mid-distant goal along the way.
- Near-term objectives.

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Reinforcing Performance

Law of Effect

- A law formulated by Edward Thorndike in 1911 stating that behavior that is followed by positive consequences will likely be repeated.
- **Reinforcers** are positive consequences that motivate behavior.
- **Organizational behavior modification (OB MOD)** is the application of reinforcement theory in organizational settings.

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Behavior Has Consequences

Four Key Consequences

1. **Positive reinforcement**.
   - Applying a consequence that increases the likelihood of a person repeating the behavior that led to it.
2. **Negative reinforcement**.
   - Removing or withholding an undesirable consequence.
3. **Punishment**.
   - Administering an aversive consequence.
4. **Extinction**.
   - Withdrawing or failing to provide a reinforcing consequence.

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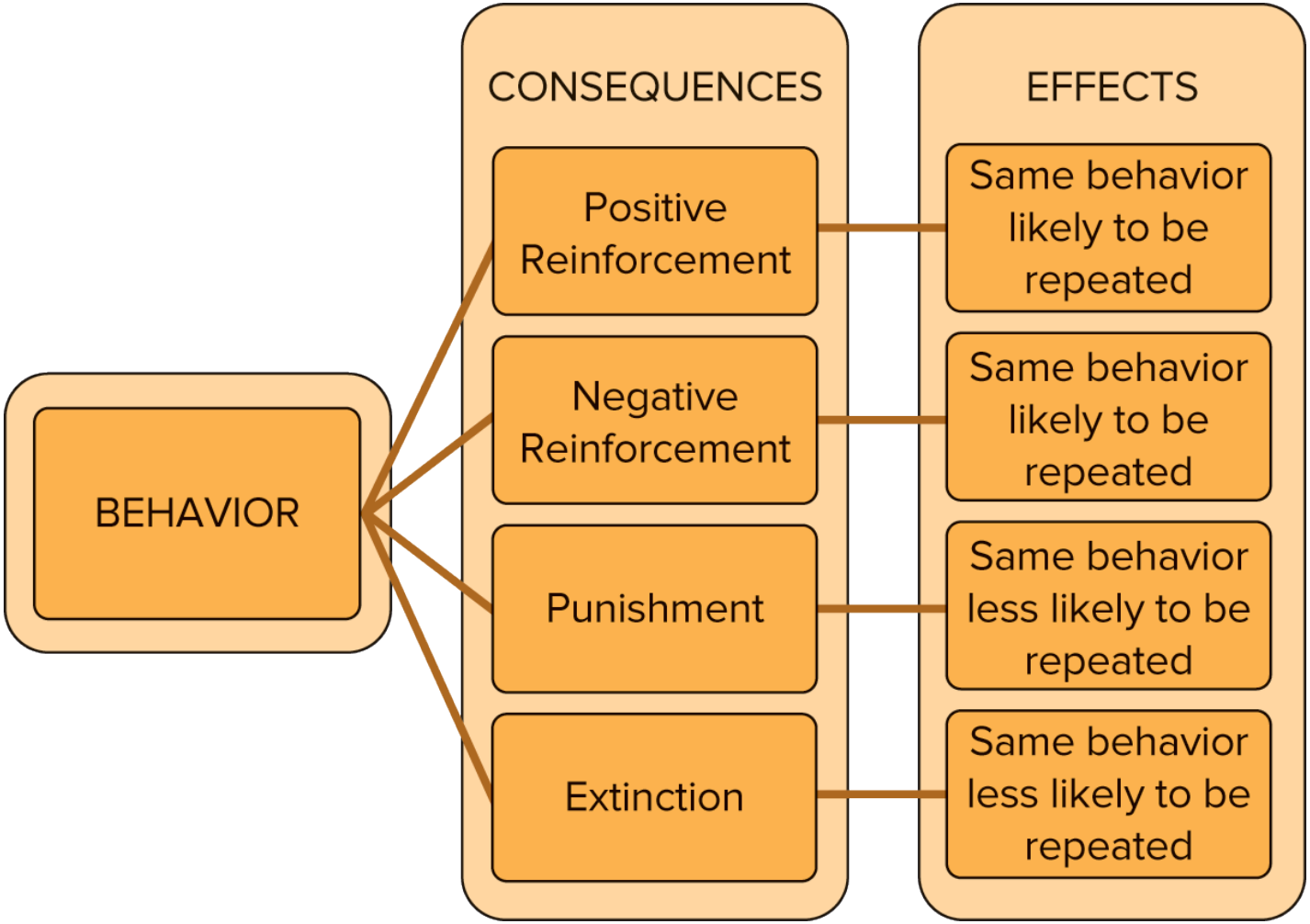
Exhibit 11.2 Behavior, Consequences and Effects



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Be Careful What You Reinforce

Reinforcement

Giving rewards to high-performing people is essential.

Sometimes organizations and managers reinforce the wrong behaviors.

To use reinforcement effectively, managers must identify which kinds of behaviors they reinforce and which they discourage.

- "The things that get rewarded get done."

Innovative managers use reinforcers creatively and include nonmonetary rewards.

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Exhibit 11.3 What Should (and Shouldn't) Be Rewarded

- **Solid solutions** instead of quick fixes.
- **Risk taking** instead of risk avoiding.
- **Applied creativity** instead of mindless conformity.
- **Decisive action** instead of paralysis by analysis.
- **Smart work** instead of busywork.
- **Simplification** instead of needless complication.
- **Quietly effective behavior** instead of squeaky wheels.
- **Quality work** instead of fast work.
- **Loyalty** instead of turnover.
- **Working together** instead of working against.

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Should Managers Punish Mistakes?

Punishment

Punishment is sometimes appropriate.

- When people violate the law, ethical standards, important safety rules, or standards of interpersonal treatment.

Managers who overuse punishment or use it inappropriately create a climate of fear in the workplace.

Everyone makes mistakes and can cope constructively by discussing and learning from them.

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Feedback Is Essential Reinforcement

Feedback

- Most managers don’t provide enough useful feedback.
- Most people don’t receive or ask for feedback enough.
- Take the ini edback.

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Performance-Related Beliefs

Expectancy Theory

A theory proposing that people will behave based on their perceived likelihood that their effort will lead to a certain outcome and on how highly they value that outcome.

- Work efforts lead to performance, resulting in outcomes.
- Expectancy and instrumentality.

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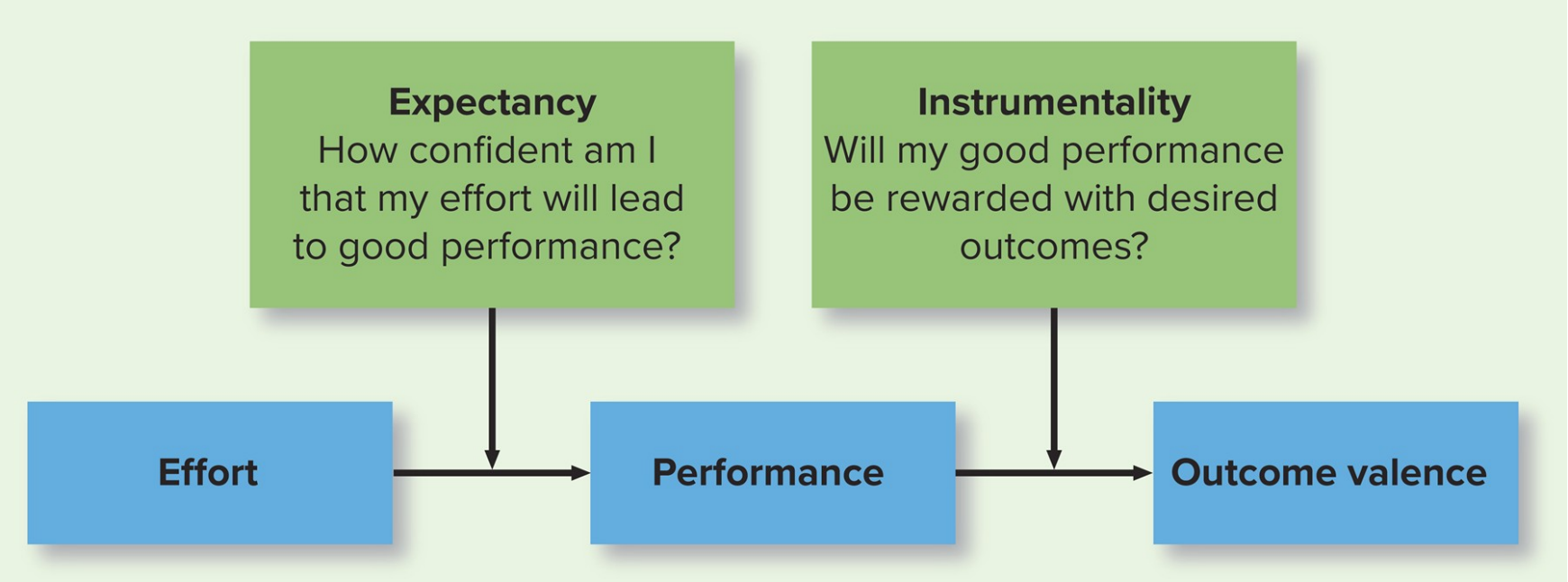
Exhibit 11.4
Basic Concepts of Expectancy Theory



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Source: Adapted from D. Organ and T. Bateman, Organizational Behavior, 4th ed. (Richard D. Irwin, 1991).

If You Try Hard, Will You Succeed?

Expectancy

- People's perceived likelihood that their efforts will enable them to attain their performance goals.
- Expectancy can be high or low.
- All else equal, high expectancies create higher motivation than do low expectancies.

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If You Succeed, Will You Be Rewarded?

Outcomes

- A consequence a person receives for their performance.

Instrumentality.

- The perceived likelihood that performance will be followed by a particular outcome.

Valence.

- The value an outcome holds for the person contemplating it.
- Valances can be positive or negative.

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All Three Beliefs Must Be High

Motivation

- For motivation to be high, all three beliefs—expectancy, instrumentalities, and the total valence of all outcomes—must be high.

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Expectancy Theory Identifies Leverage Points

Three Implications for Motivation

1. Increase expectancies.
2. Identify positively valent outcomes.
3. Make performance instrumental toward positive outcomes.

Sometimes employees can participate in yoga classes and other wellness activities. To manage rising health care costs, companies sometimes offer financial incentives to employees who pursue healthier lifestyles.

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Understanding People's Needs

Content Theory

Identifies the needs that people want to satisfy.

Important content theories:

- Maslow's need hierarchy.
- Alderfer's ERG theory.
- McClelland's needs.

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Maslow Arranged Needs in a Hierarchy 1

Need Hierarchy

- A human needs theory postulating that people are motivated to satisfy unmet needs in a specific order.

Exhibit 11.5
A Hierarchy of Human Needs

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Source: D. Organ and T. Bateman, Organizational Behavior, 4th ed. (New York: McGraw-Hill, 1991).

Maslow Arranged Needs in a Hierarchy 2

Maslow's Contributions

- Identified important need categories, which can help managers create effective positive outcomes.
- Two general levels of needs: lower-level needs must be satisfied before higher-level needs become important.
- Managers must be aware of importance of personal growth and self-actualization.

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Alderfer Identified Three Work-Related Needs

ERG Theory

- A human needs theory postulating that people have three basic sets of needs that can operate simultaneously.
- Helps remind managers of outcomes used to motivate.

Existence needs.

- All material and physiological desires.

Relatedness needs.

- Involve relationships with other people and are satisfied through the process of mutually sharing thoughts and feelings

Growth needs.

- Motivate people to productively or creatively change themselves or their environment.

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Meeting Growth Needs

Starbucks offers U.S. employees who are working at least 20 hours per week development opportunities through its tuition coverage program with Arizona State University.

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McClelland Said Managers Seek Achievement, Affiliation, and Power

Three Relevant Needs

Need for achievement.

- A strong orientation toward accomplishment and an obsession with success and goal attainment.

Need for affiliation.

- A strong desire to be liked by other people.

Need for power.

- A desire to influence or control other people.

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Do Need Theories Apply Internationally?

International Applications

Different cultures care more strongly about different needs.

- Achievement, growth, and self-actualization are profoundly important in the United States, Canada, and Great Britain.
- The Chinese (and other collectivist cultures) are more likely to value belongingness.

Managers must remember that need importance varies from country to country and that people may not be motivated by the same needs.

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Designing Jobs That Motivate

Extrinsic Rewards

- Rewards given to a person by the boss, the company, or some other person.
- Examples include pay, benefits, business class airline travel, or a large office.

Intrinsic Reward

- The reward a worker derives directly from performing the job itself.
- Essential to the motivation underlying creativity.

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Managers Can Make Work More Interesting

Improving the Workplace

Job rotation.

- Changing from one task to another to alleviate boredom.

Job enlargement.

- Giving people additional tasks at the same time to alleviate boredom.

Job enrichment.

- Changing a task to make it inherently more rewarding, motivating, and satisfying.

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Herzberg Proposed Two Important Job-Related Factors

Hygiene Factors

Characteristics of the workplace, such as company policies, working conditions, pay, and supervision, that can make people dissatisfied.

- No matter how good these factors are, they will not make people truly satisfied or motivated to do a good job.

Motivators

Factors that make a job more motivating, such as more job responsibilities, opportunities for personal growth and recognition, feelings of achievement.

- When motivators are present, jobs are presumed to be satisfying and motivating for most people.

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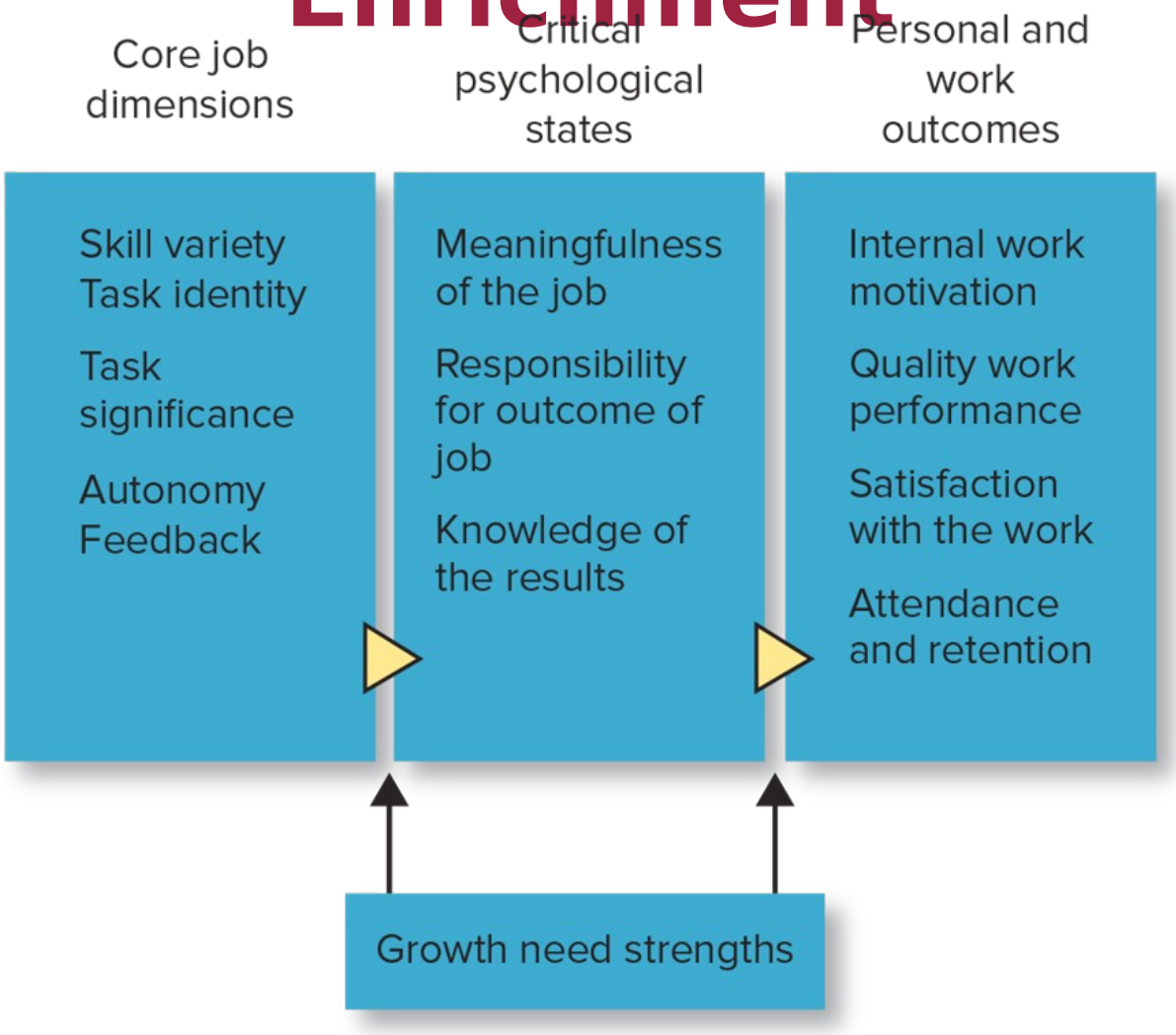
Exhibit 11.6 The Hackman and Oldham Model of Job Enrichment



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Source: Adapted from J. Richard Hackman et al., "A New Strategy of Job Enrichment," *California Management Review* 17, no. 4 (1975), pp. 57–71.

Hackman and Oldham: Meaning, Responsibility, and Feedback Provide Motivation [1]

Enriched Jobs Have Five Core Dimensions

1. Skill variety—different job activities involving several skills and talents.
2. Task identity—the completion of a whole, identifiable piece of work.
3. Task significance—an important, positive impact on the lives of others.
4. Autonomy—independence and discretion in making decisions.
5. Feedback—information about job performance.

- **Growth need strength** is the degree to which a person wants personal and psychological development.

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Hackman and Oldham: Meaning, Responsibility, and Feedback Provide Motivation 2

Job Crafting

The process of redesigning your own job.

Take the initiative and create:

- Different mixes of tasks offering more variety and interest.
- Different ways of collaborating and sharing the work.

- Seek or initiate changes, but avoid overstepping.

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To Motivate, Empowerment Must Be Done Right

Empowerment

- The process of sharing power with employees, thereby enhancing their confidence in their ability to perform their jobs and their belief that they are influential contributors to the organization.
- Empowerment done well leads to higher **employee engagement** and overall performance.
- Changes employees' beliefs, from feeling powerless to believing strongly in their own personal effectiveness.

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Exhibit 11.7 Reactions to Feeling Empowered and Disempowered

When feeling *empowered*, people may say things like . . .

- My supervisor trusts me to purchase office equipment without getting their permission.
- After I pitched my new idea to save the company money in cloud storage costs, I was given the green light to move forward with the idea.
- After resolving several difficult customer service issues, my boss no longer listens in on my discussions with customers.
- The chief financial officer showed me the books.

When feeling *disempowered*, people may make comments like . . .

- My manager didn't ask for my opinion during the meeting with my customer.
- My subordinates go over my head to my boss because they know I don't have any real power.
- No one listens to my ideas around here.
- I'm the expert, but I wasn't asked to help train the new employee.

Source: Adapted from J. Kouzes and B. Posner, The Leadership Challenge, 2nd ed. (San Francisco: Jossey-Bass, 1995).

Achieving Fairness

Equity Theory

- A theory stating that people assess how fairly they have been treated according to two key factors: outcomes and inputs.

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People Assess Equity by Making Comparisons

Equity

People compare ratio of their own outcomes to inputs against another person's.

- Comparison person can be a coworker, a boss, or an average industry pay scale.

If ratios are equivalent, people perceive relationship is equitable.

If person believes their ratio is lower, they will feel inequitably treated.

- Leads to attempt to restore balance.
- CEO pay can be a cause of inequity feelings.

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People Expect and Strive for Equity

People's Options for Restoring Equity

- Reducing their inputs.
- Increasing their outcomes.
- Decreasing others' outcomes.
- Increasing others' inputs.

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Procedures—Not Just Outcomes—Should Be Fair

Procedural Justice

Using a fair process in decision making and making sure others know that the process was as fair as possible.

When people perceive procedural fairness, they are more likely to support decisions and decision makers.

- Even if they believe the outcome was inequitable and unfair, they see justice as long as process is fair.

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Employee Well-Being

Consequences of Job Dissatisfaction

- Higher turnover and absenteeism.
- Less good citizenship.
- More grievances and lawsuits.
- Strikes.
- Stealing, sabotage, and vandalism.
- Poorer mental and physical health.
- More injuries.
- Poor customer service.
- Lower productivity and profits.

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Companies Are Improving the Quality of Work Life 1

Quality of Work Life (QWL) Programs

- Programs designed to create a workplace that enhances employee well-being.
- General goal is to satisfy the full range of employee needs.
- Advocates of QWL claim that it improves organizational effectiveness and productivity.

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Companies Are Improving the Quality of Work Life 2

QWL Program Categories

1. Adequate and fair compensation.
2. A safe and healthy environment.
3. Jobs that develop human capacities.
4. A chance for personal growth and security.
5. A social environment that fosters personal identity, freedom from prejudice, a sense of community, and upward mobility.
6. Constitutionalism—the rights of personal privacy, dissent, and due process.
7. A work role that minimizes infringement on personal leisure and family needs.
8. Socially responsible organizational actions.

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Psychological Contracts Are Understandings of Give-and-Take

Psychological Contract

A set of perceptions of what employees owe their employers, and what their employers owe them.

Historically, in big companies the employment relationship was stable and predictable.

Today's implicit contract:

- If people stay, do their own job plus someone else's, and do additional things, then the company will try to provide a job, gestures that it cares, and keep about the same pay.

A better option:

The employer says "If you make us more valuable, we'll make you more valuable," and the employee says, "If you help me grow, I'll help the company grow."

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Group Challenge

What Employees Want

- Look at each of the items below and, working alone, rank the items in the order of their importance to you in terms of workplace motivation. Rank the items from 1 to 10, assigning “1” to the most important. Use each number only once.
- When each member of your group has completed the ranking, discuss your individual findings and why you rated a factor high or low on your list. What different factors did you and your classmates use?

Job security	Autonomy and independence
Compensation/pay	Recognition of performance
The work itself	Opportunity to use skills/abilities
Employee benefits	Relationship with supervisor
Balance of work/life	Overall corporate culture

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Chapter Review

What is motivation?

Principles for setting goals.

- Goal-setting theory, stretch goals.

Reinforcing performance.

- Positive reinforcement, negative reinforcement, punishment, extinction.

Beliefs that affect motivation.

- Expectancy theory.

Need theories.

- Maslow's hierarchy, Alderfer's ERG theory, McClelland's needs model.

Designing jobs that motivate.

Procedural justice and quality of work life.

Causes and consequences of a satisfied workforce.

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